

БЛОК III. ВНЕШНЯЯ И ВНУТРЕННЯЯ ЭКОНОМИЧЕСКАЯ ПОЛИТИКА В УСЛОВИЯХ НЕСТАБИЛЬНОСТИ

ECONOMIC SANCTIONS AGAINST RUSSIA: ITALIAN POINT OF VIEW

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This article is devoted to the impact of economic sanctions against Russia imposed by the European Union on the economy of Italy and reflects the views of the Italians. Special attention is paid to the losses incurred by the economy of Italy.

Key words: international trade, economical sanctions, EU, Italy's export .

Historically Italy and Russia have strong economical and political relations. Russia was always a key trade partner for Italian energy sector, tourism, furniture, machinery, clothes, agriculture, luxury market etc. The country's major trade partners are Germany, France, Russia, etc (table 1).

Table 1

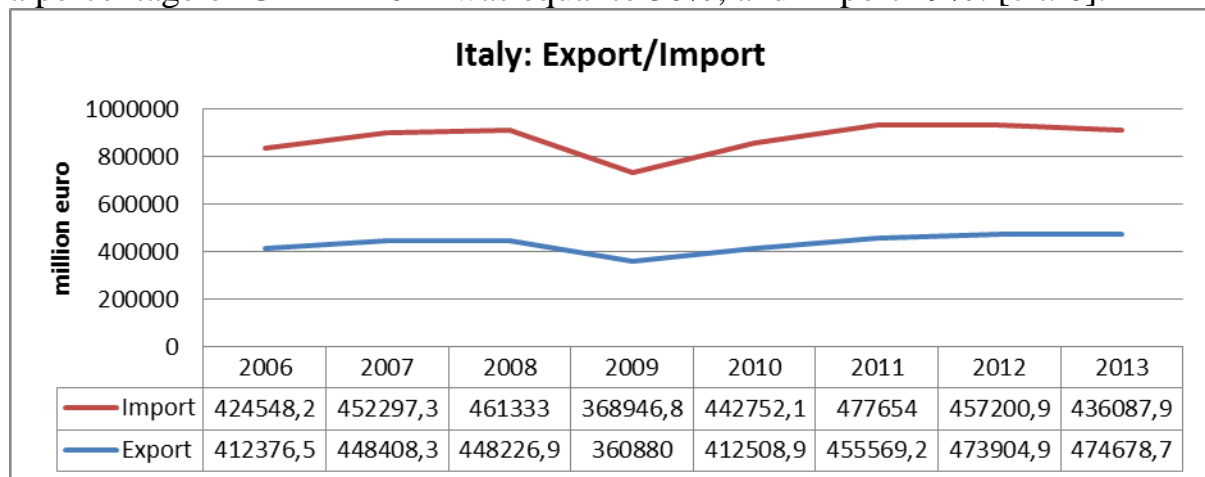
Italian main trading partners (millions of euro) [5]

Countries to which Italy exports (2012)		Countries from which Italy imports (2012)	
Germany	48,713	Germany	55,219
France	43,169	France	31,318
United States	26,656	China	24,695
Switzerland	22,878	Netherlands	20,388
United Kingdom	18,964	Russia	18,331
<i>Export:</i> Machinery & Equipment, Fabricated metal products, Textiles&Clothing, Transport equipment.		<i>Import:</i> Mining and quarrying products, Chemical products, Basic metals, Transport equipment, Textiles, Food&Tobacco.	

Till 2007 Italian economy had always positive growth, during recession and crisis period GDP growth drop dramatically. The World Bank Report on Doing Business 2013, based on the criteria of the International Finance Corporation (IFC), ranked Italy 73th (76th in 2010, 80th 2011) in a list of 183 countries in terms of *Doing Business*. Several specific indicators had deteriorated, including building permits (103rd), starting a business (84th), access to credit (104th), protection of investors (49th) and enforcing contracts (160th), paying taxes (131th). The World Bank noted that high corporate taxes and excessive taxation of profits continued to be major problems and consequently ranked Italy 128th [cit.6].

International trade is very important for Italy's economy. Italy's export volumes Italy's export volumes in 2013 remain almost the same compare with 2012, while imports decreased by 4.8%. Export was positive towards non-EU countries

(+1.3%) and negative towards EU countries (-1.2%) during the year 2013. Export as a percentage of GDP in 2012 was equal to 30%, and Import 29%. [cit. 6].



Graph 3. Italian Export/Import [2].

Under the conditions of «sanctions against Russia» a lot of data proves the negative situation:

- italian exports to Russia fell from €10 billion (\$10.5 billion) in 2013 to €8.8 billion in 2014 [11];
- Italy's northern province of Veneto is suffering losses of up to 500 million euros [11]; Italy is famous for its positive economic experience in the field of the "industrial districts" and Veneto was the first place in regional ranking on the basis of the number of registered companies in the Industrial District;
- according to the Russian Trade Representative to Italy, Russia's food embargo will incur €200 million annual losses to Italian farmers [9].

In the interview to the important Italian newspaper *Il Sole 24 Ore* Russia banker Vladimir Dimitriev warned that sanctions against Russia could cost Italy at least €10bln [7].

Italy has a negative attitude to the sanctions against Russia. Nowadays leaders of the European Union were again discussing the issue about imposition of new sanctions and Italy was accused of blocking tougher sanctions on Russia [4]. There are a lot of opinions about sanctions. Among them are:

- Italian Foreign Minister Paolo Gentiloni believes that sanctions against Russia are "not the solution" and prefer to see "dialogue at all levels" taking place [1];
- Italian politician Franco Frattini, ex-Foreign Trade Minister, saying that sanctions are affecting Europe's growth and ability to create jobs, they are affecting EU much more than expected, not impacting US at all [8];
- Antonio Fallico, an Italian banker during the discussions at SPIEF 2015 – St. Petersburgs International Economic Forum confirmed the statement that *foreign investors are apologizing to their Russian partners for the behavior of their politicians*: "most of the Italian entrepreneurs and also European and even American businessmen object to the sanctions policy" [3].

Italy wants cooperation despite Russian sanctions. In March 2015 Italian Prime Minister Mr. Renzi visited Mr. Putin in Moscow to discuss the current world

situation. The clue point of the meeting - Italian Prime Minister wants to keep the Italo-Russian partnership alive [11].

As for Russian economy sanctions against Russia have not led to the isolation of the country, even if the West tried to alienate Russia from western markets of capital and technologies. Instead, the sanctions strengthened the ties between Russia and China. Economic cooperation is not the only area, in which the countries became closer in their relations. Russia will also be developing partnership with new emerging powers such as India and Brazil [12].

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